

Annual Conference Executive Summary
A Conversation with the Cabinet: Priorities of the Governor's Economic Development Team

June 19, 2015 – Hosted at Newton Marriott, Newton, MA

Moderator: Geri Denterlein, President of *Denterlein*

Panelists: (see Appendix A for more information):

Name	Position	Office or Department
Jay Ash	Secretary	Executive Office of Housing & Economic Development
Matthew Beaton	Secretary	Executive Office of Energy & Environmental Affairs
Stephanie Pollack	Secretary & Chief Executive Officer	Massachusetts Department of Transportation
Stephanie Neal-Johnson	Undersecretary & Chief Operating Officer	Executive Office of Labor & Workforce Development

Agendas and Perspectives of Governor Baker's Economic Development Team

Jay Ash

Secretary Ash hopes to “stretch” the success of Boston and Cambridge throughout the Commonwealth through his economic development agenda. Ash emphasized the importance of “building communities for success” by coordinating efforts with local leadership to prepare land and create development opportunities. The economic agenda includes:

- *Workforce Development.* Massachusetts stands apart from other states in terms of innovation, entrepreneurship, and higher education. Universities in Massachusetts have been making significant strides in advancing the economy while employers are focusing on better job training and connecting with the best-suited employees. Ash noted his efforts to further correlate higher education with the needs and desired skills of employers.
- *Business Competitiveness and Regulatory Reform.* The state is examining 2,250 state regulations to enhance the business climate of Massachusetts while maintaining quality of life and economic competitiveness.
- *Sectors.* Ash and the Governor are focusing on high growth sectors, emerging sectors, and traditional sectors of the economy to improve the economic development of the state.
- *Housing.* The Governor has introduced a new initiative to utilize surplus land as a means of increasing available housing. Ash provided Framingham as an example of a community that was able to create new housing opportunities by changing the zoning of its downtown.

Matthew Beaton

Focusing on both energy and the environment can help continue to align Massachusetts to the goals of the federal Global Warming Solutions Act and Green Communities Act, according to Secretary Beaton. He highlighted the need to stay committed to renewables and energy efficiency, address the rising costs of energy, and preserve the Commonwealth's environment.

- *Renewables and Energy Efficiency.* Massachusetts has been paving the way in clean energy, renewables, and energy efficiency. In order to continue to improve Massachusetts' energy capabilities and stay committed to clean energy goals in the most cost effective way, the energy programs in Massachusetts must be closely examined.

- *Rising Costs of Energy.* The past winter illustrated the urgency to act upon the rising cost of energy in Massachusetts, leading to the adoption of a diversified approach to energy that uses gas as well as hydroelectricity and renewable resources such as wind and solar.
- *Preserving the Environment.* Beaton aims to preserve the Massachusetts environment and provide clean air, water, and earth to all of the Commonwealth's citizens. Beaton also noted the importance of utilizing and expanding local agriculture; Massachusetts currently has the highest number of farm stands in the nation per capita.

Stephanie Pollack

Secretary Pollack framed transportation within the Commonwealth as an issue that goes beyond simply moving people between different destinations; for Pollack and Governor Baker, the transportation system is critical to furthering the economic development of Massachusetts. At the foundation of the transportation agenda "is the fundamental understanding that the transportation system is underneath the economic future of the Commonwealth." At the Annual Conference, Secretary Pollack discussed the need for greater investment in transportation, linkages between transportation planning and economic development, and the role of a control board in improving transit service.

- *Investment in Transportation.* Stopping maintenance deferral and re-investing in assets such as roads, bridges, rail cars, rail stations, and buses is one of the administration's top priorities. Modernizing and expanding the transportation system through investment is vital to serving the economy's evolving needs; additionally, investment creates a number of local jobs. Investments must be prioritized by examining each project's economic development return, quality of life return, ability to connect employees to jobs, and ability to connect students to higher education.
- *Transportation Planning.* It is essential to integrate transportation planning with workforce and economic development planning. According to Pollack, "[w]e should plan the future of a prosperous Commonwealth ..., and then we should figure out the transportation system that we need to support that Commonwealth."
- *MBTA Reform Bill and the Role of a Control Board.* The goal of the MBTA Reform Bill is to accelerate the rate at which the state can fix the T by placing the MBTA under a control board.

Stephanie Neal-Johnson

Undersecretary Neal-Johnson highlighted the fact that although 3.5 million people are working today in Massachusetts, there are still 169,000 individuals who are looking for work. Neal-Johnson's discussion focused on using workforce development legislation as well as two newly-established workforce development councils to close the gap between opportunity and need.

- *Developing Workforce Skills with New Legislation.* State legislation corresponding to the federal Workforce Innovation and Opportunities Act is currently in process. Neal-Johnson noted that this legislation is key in creating a robust workforce trained in both "hard" and "soft" skills.
- *Establishment of the Workforce Skills Cabinet.* This cabinet, created by executive order in February 2015, strategizes to develop workforce skills to meet the educational and employment needs of Massachusetts businesses.
- *Task Force on the Chronically Unemployed.* This cabinet, created by executive order in March 2015, assists "people of color, veterans, [and] those with disabilities, who have remained unemployed over time."

Key Topics and Responses

Dynamics of the Cabinet

According to Secretary Ash, “the Governor is a populist, and as a populist, he has us all talking about how we can serve people... He has us talking about the importance of public policy and people as opposed to politics and personalities.” The secretaries all agreed that Governor Baker values their opinions, and wants to foster dialogue, even recognizing and accepting a counterpoint at times. Also, collaboration between secretaries is expected and encouraged by both the Governor and the Lieutenant Governor, creating a “spirit of collegiality” and various projects between the different departments.

Transportation: A Closer Look at the MBTA

Pollack noted that conversations on the issue of MBTA reform have been very productive with both the House and the Senate. According to Pollack, “It’s just a matter of getting everyone to understand the full range [of the issue]. We need the control board, and then the control board needs the tools that it needs in order to be able to actually make a dent [in fixing the T].” This set of tools includes giving the control board greater flexibility and the power to contract out. Going forward, Pollack said successful MBTA reform will rely on “getting to a place where the Legislature and the Administration can find common ground.”

Scheduling and Commuting

Developing schedules is essential to an effective transportation system, and according to Pollack, scheduling and economic development often come together, especially with communities like Worcester. Traveling between Worcester and Boston is one of the longest commutes on the commuter rail system, and with the adjustment of commuter rail schedules every fall and spring, Pollack plans to revise “with an eye towards economic development.” Pollack is taking “signals from the community” and evaluating options to run different kinds of trains, from pure express to faster trains to reverse commute service, in an effort to meet the economic development needs of communities further removed from the Greater Boston area.

Decisions for the Long Term

According to Undersecretary Neal-Johnson, “[None of the secretaries] see politics as a limitation on a real discussion about where we in the economy [of Massachusetts] are going.” Secretary Beaton noted that although many of the Cabinet’s decisions are political by nature, it is important to realize that these decisions are not being made “through the prism of a four year cycle.” Beaton emphasized that, in discussions with Governor Baker, it is clear that the administration makes decisions with a “long-term focused approach for what is best for the Commonwealth,” rather than in the context of the next election. Many of the decisions made by the Cabinet center around constructing an economic foundation for the future, such as Secretary Walker’s focus on linking vocational education, community colleges, and training programs to build workforce skills.

Community Compacts

Lieutenant Governor Karyn Polito is leading an effort to create community compacts, arrangements in which the state assists individual communities and regional collaboratives with local initiatives in return for municipalities adopting “best practices,” according to Secretary Ash. Compacts will be 80% standard and 20% tailored to specific communities and regions. The goal of community compacts is to promote the economic development of individual localities, which will ultimately benefit Massachusetts as a whole. Ash noted, “We’re especially excited when we hear regions talking about ways to solve their collective problems... [we want] to develop solid regional plans that we intend to fold...into a much larger plan [for the Commonwealth].”

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Appendix A: Panelists

Jay Ash

Secretary Ash is responsible for directing and executing Governor Charlie Baker's agenda on housing and community development, job creation, business development, consumer affairs, and business regulation. He previously served as the city manager in his native Chelsea, a position he held from 2000 to 2014, where his leadership produced both economic expansion and fiscal stability. He grew the city's housing stock by over ten percent, expanded its commercial base with two dozen major projects, led all Gateway Cities with a 15% increase in new employment, developed 10 new parks, secured five credit rating increases, and won two All-America City designations for Chelsea.

Matthew Beaton

Secretary Beaton oversees the Commonwealth's six environmental, natural resource and energy regulatory agencies: the Departments of Environmental Protection, Public Utilities, Energy Resources, Conservation & Recreation, Agricultural Resources and Fish & Game. Prior to this appointment, he served as a State Representative for the Eleventh Worcester district, and in the private sector, Beaton worked as an environmental engineer and sustainability consultant.

Stephanie Pollack

Secretary Pollack serves as Secretary and CEO of the Massachusetts Department of Transportation, which was formed in 2009 by the merger of the Executive Office of Transportation and Public Works and its divisions with the MA Turnpike Authority, the MA Highway Department, the Registry of Motor Vehicles and the MA Aeronautics Commission. She also serves on the boards of the MBTA and Massport. Prior to joining the Baker Administration, Secretary Pollack worked on transportation policy, finance and equity as Associate Director for Research at the Kitty and Michael Dukakis Center for Urban and Regional Policy at Northeastern University.

Stephanie Neal-Johnson

Undersecretary Neal-Johnson is charged with assisting Secretary Ronald Walker, II, in carrying out Governor Baker's agenda on Workforce Development. She combines her expertise as an attorney with her vast knowledge of public policy to advance the objectives of EOLWD, which is focused on bridging the gap between businesses looking for skilled employees and workers who need additional training to fill the jobs of the 21st century. Prior to this appointment, she served in several key leadership positions at the Massachusetts Department of Transportation, MBTA, and the Massachusetts state Senate.

Geri Denterlein

Geri Denterlein provides strategic communications counsel to leaders of the region's corporations, nonprofits, colleges, and healthcare organizations. Prior to launching Denterlein, Geri was editorial director at WBZ-TV, where she led the station's government outreach, as well as on-air political analysis. Her governmental experience extends to work as Communications Director for the Department of Mental Health and as an Associate Press Secretary for former Governor Michael S. Dukakis. She is also the author of a guidebook for young professional women.